

August 27, 2024

6800-4800-59240-09

Rylan Zazula, P.Eng.
Exploitation Engineer – BC South
Canadian Natural Resources Limited
2500, 855 – 2nd St SW
Calgary, AB T2P 4J8

Dear Rylan Zazula:

**RE: PRESSURE MAINTENANCE WATERFLOOD PROJECT
APPROVAL ORDER CANCELLATION
PEEJAY FIELD - HALFWAY FORMATION – CNRL UNIT #3**

A pressure maintenance waterflood project in the Peejay field, Halfway formation, Unit #3, was approved by the Regulator on March 1st, 1967. On July 29th, 2024, the Regulator received a request from CNRL to rescind this project approval due to upcoming well decommissioning. Oil production ceased in May of 2024.

Waterflood operation over a period of 57 years has resulted in increased oil recovery, demonstrating effective resource management. A final reservoir pressure for this project was measured in April 2024.

Original Oil in Place	Initial Reserves	Cumulative Production	Recovery Factor
10,137,291	4,490,820	4,477,690	44.2%

Pursuant to the Energy Resources Activities Act (ERAA) section 75 (2)(b)(i), the Regulator may cancel, suspend or amend a designation at the request of the applicant to whom the designation was given. The pressure maintenance waterflood project approval #67-09-001 for the Peejay field, Halfway formation, CNRL Unit #3, is hereby cancelled, under the authority of ERAA section 75(2)(b). Approval cancellation terminates the use of injection wells, other than for any minor volume associated with decommissioning of injection system facilities and pipelines.

Please contact Michelle Gaucher at (250) 419-4482 or the undersigned at (250) 419-4430 should you have any questions.

Sincerely,



Ron Stefik, P.L.Eng.
Supervisor, Reservoir Engineering
BC Energy Regulator